RECEIVED CENTRAL PAX CENTER

JUN 2 2 2006

Docket No.: 014554-002500US

TOWNSEND and TOWNSEND and CREW LLP

By: 27. 47

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of:

Wai-Hon Lee

Application No.: 10/802,669

Filed: March 16, 2004

For: OPTICAL POSITION ENCODER

DEVICE

Confirmation No.: 2673

Examiner:

Brian J. Livedalen

Art Unit:

2878

COMMUNICATION

Mail Stop RCE Commissioner for Patents P.O. Box 1450 Alexandria, VA 22313-1450

Sir:

This is in response to the office communication mailed June 2, 2006 on the above-referenced application.

The examiner is thanked for the courtesy of a telephone call on May 16, 2006, where agreement with respect to the claims was reached. Applicants respectfully request that the claims as amended in the response filed on May 17, 2006 be considered. A Request for Continued Examination is filed herewith to request consideration of that amendment.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.